



Tom Barrett
Mayor, City of Milwaukee

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Mayor Barrett Announces \$36 Million in Neighborhood Stabilization Program Awards

MILWAUKEE – Mayor Tom Barrett today announced today that Milwaukee will receive \$36 million in federal funds to alleviate the impact of high rates of mortgage foreclosure on city neighborhoods. The City of Milwaukee will directly receive \$25 million, and Habitat for Humanity, Inc. will receive an additional \$11 million.

The funds are part of \$2 billion in American Recovery and Reinvestment Act funds distributed nation-wide through the U.S. Department of Housing and Urban Development's Neighborhood Stabilization Program (NSP). NSP supports the purchase and rehabilitation of foreclosed, vacant properties in order to create more affordable housing and renew neighborhoods. This is the second NSP grant received by the City of Milwaukee; HUD awarded \$9.2 million to Milwaukee in 2008.

"Milwaukee has been hit hard by the foreclosure crisis, and we have mobilized a broad coalition involving local government, the real estate and housing finance industries, residents, and non-profit housing agencies to address this crisis," said Mayor Tom Barrett. "The \$25 million grant provides the resources to return approximately 1,000 foreclosed and abandoned residential units to productive use."

Milwaukee's funds will be targeted to an area bounded roughly by Mill Road, 51st Street, Richards Street, and Lincoln Avenue. As of January 1, 2010, that area contained approximately 800 foreclosed properties and more than 2,700 properties at some stage of the foreclosure process. Of the properties currently in foreclosure, more than 1,600 are owner-occupied.

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“The target area includes many neighborhoods in which a variety of partners are making significant redevelopment investments and quality of life initiatives,” Mayor Barrett said. “Attacking the instability created by foreclosures will reinforce those efforts.”

“Milwaukee Habitat for Humanity is looking forward to further our commitment to building simple, decent, and affordable housing in the targeted areas of Washington Park, Harambee, and AMANI neighborhoods. This HUD grant will increase our capacity to do so,” said Karen Higgins, Interim Executive Director of Milwaukee Habitat for Humanity.

Under HUD rules, the NSP grant must be used for activities directly related to foreclosed and abandoned properties. In Milwaukee, the first round of NSP funds have been used to return such properties to productive use by providing loans and grants to buyers to buy and renovate foreclosed properties. Funds also have been used for selective demolition of homes that cannot be renovated, redevelopment of vacant lots, and acquiring and mothballing properties for future redevelopment.

The new infusion of \$25 million in NSP money will be used for these same purposes. In addition, NSP-2 funds will be used to create a loan pool to provide credit for the purchase and renovation of foreclosed properties.

Milwaukee’s approach to addressing the foreclosure crisis was formulated by Mayor Barrett’s Milwaukee Foreclosure Partnership Initiative (MFPI), created in 2008. MFPI, a public-private partnership made up of lenders, foundations, real estate professionals, government representatives and community stakeholders, sponsors other initiatives directed at foreclosure prevention and intervention. Among these are a foreclosure mediation program operated by the Marquette University Law School and a newly-formed Homeownership Consortium that is expanding homebuyer education efforts and sponsoring a neighborhood marketing campaign. The Milwaukee Common Council’s Special Joint Committee on the Redevelopment of Abandoned and Foreclosed Properties also monitors foreclosure efforts.

Detailed information about Milwaukee’s foreclosure initiatives, and information about resources available to people and developers who wish to purchase and renovate foreclosed properties, is available at www.milwaukeehousinghelp.org.